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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/156
29 January 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
12-25 January 1962

Recent developments in Afghan-Soviet relations include the following: (1) three agreements concerning trade between the two countries, (2) a technical cooperation agreement in the field of hydrometeorology, and (3) further Soviet assistance in the reorganization of the Afghan military establishment.

On 5 January the Soviet Minister for Power Station Construction arrived in the United Arab Republic (Egypt) to confer with the authorities responsible for building the Aswan High Dam. Although the discussions concerned problems that have arisen during the dam's construction, public pronouncements during the visit expressed confidence that the first stage would be completed on schedule in 1964.

Morocco is in the process of contracting for Soviet materiel valued at from \$2 million to \$3 million. The equipment will include T-54 tanks, artillery, and small arms for the Royal Moroccan Army.

Czechoslovakia has extended an economic credit to Nigeria -- the first announced from a Bloc country. Although the value of the credit has not been revealed, it probably amounts to about \$10 million to \$20 million.

On 17 January, Prince Sihanouk announced that Cambodia has decided not to accept the anti-aircraft guns for which it has been negotiating with both the Bloc and the countries of the Free World. The public announcement, however, made no mention of Cambodia's intentions concerning the possible purchase of jet aircraft.

A Finnish mission is in the USSR reportedly in order to contract for additional arms, including MIG jet fighters, air-to-air missiles, T-54 tanks, and naval equipment. A total of about \$39 million from the 1959 Soviet credit of \$125 million is available for the current purchases.

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